

Message Text

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61-S

ACTION ARA-10

INFO OCT-01 SS-14 ISO-00 EB-03 NSC-07 NSCE-00 CIAE-00

INR-11 NSAE-00 RSC-01 L-02 COME-00 TRSE-00 CIEP-01

OMB-01 SP-02 DRC-01 /054 W
----- 041222

R 232001Z AUG 74

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 1303

C O N F I D E N T I A L SANTO DOMINGO 3494

LIMDIS

E.O. 11652: GDS

TAGS: EMIN, EFIN, EIND, DR

SUBJECT: ALCOA BAUXITE NEGOTIATIONS

REF : A) SD 3313; B) STATE 184144

1. APPRECIATE RUN-DOWN OF MEETING WITH PERICHE CONTAINED
REF B.

2. DURING MORNING AUGUST 20, I MET WITH ALCOA REP HUGHSON
(WHO HAD RETURNED NIGHT BEFORE FROM US VACATION) TO RELATE
DISCUSSION WITH FINANCE SECRETARY SELIMAN CONTAINED REF A
AND TO URGE HIM TO PURSUE MATTER DIRECTLY WITH SELIMAN AND
KEEP ME INFORMED.

3. THIS MORNING HUGHSON INFORMED ME THAT HE HAD HAD CORDIAL MEETING
WITH SELIMAN YESTERDAY DURING WHICH LATTER CONFIRMED THAT GODR
NEGOTIATORS WOULD NOW ACCEPT LESS THAN JAMAICA CURRENTLY
RECEIVING UNDER ITS UNILATERALLY IMPOSED LEGAL "SETTLEMENT".
SELIMAN HAD SAID, HUGHSON REPORTED, THAT GODR NEGOTIATORS HOPED
FOR SUBSTANTIAL INCREASE OVER WHAT ALCOA NOW PAYING BUT THAT
THEY WERE FLEXIBLE, "IN ACCORDANCE WITH PRESIDENT BALAGUER'S
INSTRUCTIONS." HUGHSON SAID HE TOLD SELIMAN THAT HE WOULD
REPORT THIS DEVELOPMENT IMMEDIATELY TO PITTSBURGH AND CONVEY
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REACTION AS SOON AS RECEIVED (WHICH HE EXPECTED SOME TIME

NEXT WEEK). BOTH HUGHSON AND SELIMAN AGREE THAT THEY WOULD MAINTAIN THIS INFORMAL MANNER OF COMMUNICATIONS UNTIL MORE FORMAL NEGOTIATIONS SEEMED IN ORDER, HUGHSON CONCLUDED.

4. IN A RELATED DEVELOPMENT, HUGHSON TOLD ME THAT THE SECRETARY OF COMMERCE AND INDUSTRY SANCHEZ Y SANCHEZ (WHO IS ALSO A MEMBER OF THE DOMREP NEGOTIATING TEAM) HAD CONTACTED HIM YESTERDAY ON BEHALF OF PRESIDENT BALAGUER TO PROVIDE A DESCRIPTION OF ALCOA'S DOMINICAN PRODUCTION AND SALES FOR 1973 AND TO ILLUSTRATE FOR THE PRESIDENT WHAT THOSE STATISTICS WOULD HAVE MEANT FOR THE DOMREP IN TERMS OF ALCOA'S LATEST OFFER. (COMMENT: WHAT LIES BEHIND THIS MOVE IS A DISPUTE BETWEEN THE ALCOA AND GODR NEGOTIATORS REGARDING THE REAL SIGNIFICANCE OF ALCOA'S LAST OFFER: THE ALCOA REPS MAINTAINED THAT THEIR OFFER SIGNIFIED A DOUBLING OF INCOME FOR THE GODR; THE GODR REPS REGARDED THE STATEMENT AS EXAGGERATED.) HUGHSON SAID THAT HE WAS SUBSEQUENTLY CONTACTED BY HIS LAWYER, POLIBIO DIAZ (PALACE CONFIDANT OF BALAGUER) WHO SAID HE REGARDED THE PRESIDENT'S INTEREST AS AN ENCOURAGING SIGN.
HURWITCH

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